

The Elimination of Business Occupancy Tax Phase Out

What does it mean to businesses?

In May 2005 the Provincial Government passed Bill 191 called the Municipal Law Amendment (2005) Act. www.gov.ns.ca/legislature/legc

This act essentially:

1. Adds to the *Assessment Act* definitions of "camping establishment", "restaurant", "roofed accommodation" and "seasonal tourist business".
2. Eliminates the business occupancy assessment for the 25% category of business occupancy assessment in 2006 effective April 01, 2006;

What businesses are in the 25% category?

These businesses include service stations, restaurants, "roofed accommodations" (hotels and motels), camping establishments and motor vehicles.

What does that mean to the 25% businesses?

You will not be assessed or taxed for business occupancy tax effective April 01, 2006.

3. Eliminates the business occupancy assessment for the 75% category of business occupancy assessment in 2013;

What businesses are in the 75% category?

These businesses include banks, credit unions, loan companies, trust companies, insurance companies, investment dealers, mortgage companies and collection agencies.

What does that mean to the 75% businesses?

These businesses will continue to pay business occupancy tax on the full 75% business occupancy assessment until April 01, 2013.

4. Reduces the business occupancy assessment for the 50% category of business occupancy assessment in the years 2006 to 2009 and eliminates it in 2010.

What businesses are in the 50% category?

Essentially all other businesses.

What does that mean to the 50% businesses?

The business occupancy assessment will be reduced from the 50% to 40% effective April 01, 2006; further reduced to 30% effective April 01, 2007; further reduced to 20% effective April 01, 2008; further reduced to 10% effective April 01, 2009 and will be completely eliminated effective April 01, 2010.

5. Establishes a process for assessment to identify seasonal tourist businesses and properties containing seasonal tourist businesses, that qualify to be put on the assessment roll for a reduced tax rate under the Municipal Government Act.

How does my business get identified as a seasonal tourist business?

In order to qualify as a seasonal tourist business, the business must be open for at least part of the year, but must be closed for at least four months in the year. This designation applies only for restaurants, roofed accommodations and camping establishments. The owner must apply to the director of assessment before **September 1** in the year preceding the taxation year. The owner must notify the assessors of the address, space occupied by the seasonal business and the dates the business will open and close, and request that the business be identified on the assessment roll as a seasonal business. The Application must be made each year. The application form is available on-line at www.gov.ns.ca/snsmr/forms or at assessment offices, municipal offices and access Nova Scotia. Unless the business is identified on the assessment roll as a seasonal tourist business, the special (75%) commercial tax rate does not apply to it.

Further information on Elimination of Business Occupancy Tax can be obtained on-line at www.gov.ns.ca/snsmr/asmt/ps/business/default.asp .